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AGRICULTURAL COOPERATION

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COTTON SHIPPED TO SPAIN, ITALY AND JAPAN

The following statement regarding foreign shipments was issued November 4 by the North Carolina Cotton Growers' Cooperative Association, Raleigh, N. C.:

Shipments of cotton to Spain, Italy and Japan are reported by the North Carolina Cotton Growers' Cooperative Association. These are the first sales made in those countries by the association and mark the beginning of business with the cotton buyers of Barcelona, Genoa and Kobe, the ports to which the shipments go. Last season the North Carolina Cotton Growers did a good business with Bremen, Germany, and also with the Russian mills, and the management expects good orders from both countries this season. Middling cotton, 7/8 to 1-inch staple, was bought by the Japanese people and the shipment goes to Kobe.

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CALIFORNIA PEARS SOLD BY ADVERTISING

It is reported by the management of the California Pear Growers' Association, San Francisco, Calif., that the 1924 advertising campaign helped materially in marketing the output handled by the association. Three kinds of advertising were used: newspaper space, large posters, and store displays. Complete campaigns including all three kinds of advertising were conducted in Chicago, Cleveland, Pittsburgh, Philadelphia, and Boston. In addition, a beginning was made in the distribution of display material to retail stores in fifty cities, six in New England, seven in the Middle Atlantic States, and thirty-seven in the North Central States. A total of 18,000,000 copies of the newspapers carrying the California pear advertisements were circulated, and 60,000 pieces of store displays were distributed.

In commenting upon the advertising the president of the association said, "We have found it better to run large ads. once a week than small ads. twice a week. It costs less and brings better results. We gauge the attention by the number of requests for recipe books."

ASSOCIATION MARKETS HOGS FOR SIX YEARS

Six years of service were completed on September 30, 1924, by the California Farm Bureau Marketing Association, Bakersfield, Calif. The organization covers seven counties in the San Joaquin Valley and any member of the farm bureau is entitled to sell his hogs through the association. ~~Of the~~ In the six years 273,308 hogs have been sold, or 3,201 car loads, for \$5,780,200, at 1,008 sales.

The number of hogs handled the past year was 45,633, which was very nearly the average for the six years, although there was a shortage in the valley. The number of farmers served was 3,126, a number of whom sold several times. (An item regarding this association was published in this circular under date of January 2, 1923, p. 8.)

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STATE UNIVERSITY TO MARKET COTTON COOPERATIVELY

All cotton grown by the experiment station of Louisiana State University is to be marketed cooperatively through the Louisiana Farm Bureau Cotton Association, Baton Rouge, La., according to a recent statement. A contract to this effect was recently signed by officials of the university. While the amount of cotton is not large, the endorsement of the principles of cooperative marketing is expected to be of great value to the association.

Deliveries of cotton to the association had reached 16,526 bales on October 27, about 300 bales more than on the same date last year. The largest amount received in any one day was 965 bales. One million dollars has been advanced to growers on cotton delivered.

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MAPLE SYRUP PRODUCERS SEEKING FARM CUSTOMERS

A program for marketing maple products direct to the consumers on the farms of the Middle West, is being worked out by the management of the Vermont Maple Products Cooperative Exchange, Essex Junction, Vt. The machinery of the Vermont State Farm Bureau Federation, and that of the American Farm Bureau Federation, is being used to get in touch with farm bureau members who are likely to want pure maple syrup or maple sugar this fall and winter.

The syrup is of two grades and is put up in one-quart cans, and the sugar is marketed in one-pound boxes. Prices are quoted for parcel post shipment, farmers being urged to send in single orders or to combine with their neighbors and forward club orders.

Approximately 50,000 gallons of syrup is on hand to be marketed before the new crop is harvested in the late spring.

ONE MILLION DOLLARS PAID TO MAINE POTATO GROWERS

Twenty-five dollars per acre was the amount of the first advance this season to members of the Maine Potato Growers' Exchange, Caribou, Me. This was \$10 more than the first advance last year and was sufficient for harvesting the crop. Approximately \$1,000,000 has been distributed. With heavy production and a dull market the crop is moving slowly and the warehousing department is facing a big problem, due to lack of information as to how much storage is needed.

Shipments up to October 11 totaled 1,058 cars, about 1/16 of the crop. Efforts are being made by the sales department to secure wide distribution and cars have gone as far south as Florida and as far west as Cleveland, Ohio, only 116 cars, or 10%, being sold in Boston, which is usually considered the principal outlet for Maine potatoes.

A second small distribution was planned for November 15, after which payments are to be based on actual deliveries. A computation will be made showing the proportion of his crop which each member should deliver each month of the selling season. Each member will be furnished with a table giving this information, and in order to secure the maximum payment each month he must watch this table and deliver his full quota of potatoes to the association.

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STORAGE SECURED FOR FIVE THOUSAND CARS OF POTATOES

Membership of the Minnesota Potato Growers' Exchange, St. Paul, Minn., had reached 13,500 on November 5, when the list was reported to be growing rapidly. Storage for 5,000 cars of potatoes is now assured and the exchange is prepared to hold stock in the hope that prices will advance. Besides the storage space secured at shipping points and in growing sections, the warehousing department has completed negotiations for storage at Chicago, Kansas City, Omaha, and other points. On account of the enormous volume of business it has been possible to secure this storage at less than the rates usually charged. Current receipts are nearly 150 cars a day (not 1500 cars as erroneously stated on page 358). Wide distribution is being obtained by the selling department, but due to the low prices only a conservative number of cars is being shipped at this time. The exchange claims to be handling about one-tenth of the potatoes moving in the country.

The machinery of the organization is functioning smoothly during the busy season. The 4,000th car was received by the exchange on November 4. Record receipts were October 20 when 231 cars were handled, and October 27 when 236 cars came in.

An average price of 58¢ per cwt., f.o.b., has been secured for the first 1,100 cars sold, of which 80% was round white stock. Potatoes packed under the "Gopher State" brand, the trade name adopted by the association for marketing purposes, bring a premium, and members are urged by the management to do their best to help to establish a good reputation for this brand.

FINAL PAYMENTS MADE FOR 1923 COTTON IN OKLAHOMA

Final settlement for 1923 cotton was completed on October 18 by the Oklahoma Cotton Growers' Association, Oklahoma City, Oklahoma. The amount of this distribution was \$891,208, and completed the 1923 business except for 172 bales of extra staples, which have been held for a better price. Business for the year totaled more than \$16,000,000. Net prices for 61 pools for the season ranged from 16.99 cents to 31.80 cents. A comparative statement of the number of bales received to October 18, 1923, and October 18, 1924, shows 26,549 the former year and 48,622 this year.

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ILLINOIS GROWERS TO SELL COTTON COOPERATIVELY

Cotton growers of Illinois have formed a state association and incorporated under the name of the Illinois Cotton Growers' Cooperative Association, with headquarters at Mound City, Ill. About 1,500 acres of cotton are signed up and the association expects to handle about 1,000 bales. Sales will be made through the Arkansas Cotton Growers' Cooperative Association this year. The five-year contract is the same as that adopted in the other states. Illinois is the thirteenth state to organize for marketing cotton, and this is the fifteenth association, Arkansas and Mississippi each having two.

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STATEMENT ISSUED BY ARKANSAS FARMERS' UNION COTTON GROWERS

During the 1923-24 season the Arkansas Farmers' Union Cotton Growers' Association, Little Rock, Ark., received 3,341 bales of cotton and sold 3,334 bales. Gross sales amounted to \$435,147, making the average per bale \$143.51, and the average price per pound 30.01 cents. The total operating expenses charged to members amounted to \$21,716. Some of the larger items included in the statement were as follows:

Salaries	\$10,430
Storage	5,526
General expenses	1,216
Organization	1,233
Freight	995
Meetings	678
Rent	622
Interest	353

Interest earnings for the year amounted to \$404 and sales of loose cotton amounted to \$619. Net profits for the year amounted to \$610.

EQUITY EXCHANGE SELLS GRAIN DIRECT TO ENGLAND

"For the first time in its history, St. Paul has entered the ranks of grain centers exporting direct to Liverpool." A sale of 80,000 bushels of wheat was made recently by the receivers of the Equity Cooperative Exchange to the Cooperative Wholesale Society, Ltd., of England. The price is stated to be in excess of \$120,000. This is believed to be the largest sale of wheat ever made in St. Paul and may mark the beginning of a permanent trade between St. Paul and Europe, possibly utilizing Mississippi River barges to carry grain to New Orleans, and there reloading to ocean liners. Wheat for this shipment will be collected and graded at St. Paul and shipped by rail to the Atlantic seaboard. The Equity terminal elevator at St. Paul has a capacity of 500,000 bushels, and the "feeder elevators in Minnesota, Montana and the Dakotas place the Equity in direct touch with the farmer and make possible a wide range of selection of types and varieties best suited to either domestic or foreign markets."

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GRAIN COMPANY COMPLETES TWENTIETH YEAR

Operations of the Farmers' Grain Company, Pleasanton, Nebr., for the year ending April 30, 1924, were greatly restricted by the practical failure of the wheat crop. The twentieth annual report of the company shows that the elevator at Rosalie handled less than 20,000 bushels of grain of all kinds against a record of 356,260 in the year ending April 30, 1912. During the year the elevator at Poole was sold and the business at that point closed out. At Pleasanton the lumber business was sold and the company will confine itself to handling grain at that point. As this sale left the company with more capital than was required for a strictly grain business, twenty-four shares of stock were retired, leaving a capital of \$9,000 at that station. Grain handled at the three elevators of the company was in the amounts shown below:

Stations	Wheat	Corn	Oats	Barley	Rye	Total
	(Bu.)	(Bu.)	(Bu.)	(Bu.)	(Bu.)	(Bu.)
Pleasanton	29,165	80,792	5,033	1,395	---	116,385
Miller	391	83,536	6,030	634	198	90,789
Rosalie	---	13,117	6,525	---	---	19,642
Total	29,556	177,445	17,588	2,029	198	226,816

Coal handled at the three stations amounted to \$8,675, \$3,805, and \$6,328, respectively, while livestock business at Miller amounted to \$119,928. (See Agricultural Cooperation, Sept. 24, 1923, p. 8.)

MANITOBA COOPERATIVE WHEAT ASSOCIATION IS OPERATING

Cooperative wheat marketing associations have been formed in the three Canadian prairie provinces, Alberta, Manitoba, and Saskatchewan. The Alberta Cooperative Wheat Producers, Ltd., Calgary, began receiving wheat on October 29, 1923, and closed business for its first year, July 15, 1924. It marketed over 34,000,000 bushels of wheat with administrative expenses of only two-fifths of a cent a bushel. (See Agricultural Cooperation, September 8, 1924, p. 296.)

The association organized in the province of Saskatchewan in the summer of 1924 had approximately 7,000,000 acres of wheat under contract in September. (See Agricultural Cooperation, November 3, p. 366.)

A special act was passed by the legislative assembly of Manitoba providing for the reincorporation of the Manitoba Cooperative Wheat Producers, Ltd., which had been organized January 28, 1924, under the "companies act" of the province. This special act of incorporation provides for a corporation with 50,000 shares of capital stock, each share of the par value of \$1. No dividends can be paid on the shares and no person can hold more than one share. Financial liability of shareholders is limited to the unpaid amount of their shares. The right to vote by proxy is denied. "The right of a shareholder to attend and vote at meetings, shall be dependent upon the existence of an unexpired contract ~~of~~ agreement between such shareholder and the company, providing for the delivery of grain by him

According to the legislative enactment, the corporation is authorized "to act as agent, broker, factor, attorney-in-fact; to mortgage, pledge, hypothecate, borrow money upon, and otherwise deal with grain and all documents of or evidencing title thereto; to manufacture, buy, sell, acquire, or handle flour and food products manufactured from grain and cereals; to build or acquire ships; to apply for and promote and obtain any act of parliament, federal or provincial, and ^{any} order from other authority for enabling this company to carry any of its objects into effect, or for any other purposes which seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interest of the company; to pay pensions and give gratuities to employees and ex-employees; to provide for the recall of the directors of the company," and to do many other things.

Provision is made in the act of incorporation for the grouping of the shareholders in local societies and that "such societies shall be entitled to representation at the annual and other meetings of the company said delegates shall alone have the right to vote at such meetings."

The first annual meeting of the corporation was held at Brandon, July 2 and 3, and was attended by 167 of the 168 delegates selected. By-laws were adopted at this meeting and a board of seven directors elected. More than 700,000 acres of wheat have been contracted by the 7,000 members. The company began operations September 2, 1924, with headquarters at Winnipeg.

IOWA HAS FARMERS' UNION CREDIT ASSOCIATION

A Farmers' Union Credit Association has been organized by the Iowa State Farmers' Union in order to take advantage of the Intermediate Credit Act of 1923 and secure funds to finance stock feeders. One county has already completed its organization through which the members can take advantage of the credit association. The service will be extended to other lines of production also. Headquarters are at Des Moines.

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COST OF MARKETING CONNECTICUT TOBACCO ANALYZED

Cost of handling the 1922 crop of the Connecticut Valley Tobacco Association, Hartford, Conn., was 10.44 cents a pound on all the tobacco handled by the association, according to a report in the official publication of the association. This cost was divided as follows:

	<u>Cents</u>	<u>Per cent</u>
General overhead62	5.95
Miscellaneous packing expense50	4.60
Indirect operating expense	1.20	11.50
Interest on advances paid members28.	2.75
Payments to warehouses for assorting and packing	7.84	75.05
	<u>10.44</u>	<u>100.00</u>

These items are explained as follows:

Net general overhead includes salaries of all officers and employees at headquarters, directors' fees and allowances, rent, stationery, printing and office supplies, cost of auditing, postage, telephone, telegraph, light, heat, field service expense, repairs and maintenance at main office, and depreciation of office furniture and fixtures.

Miscellaneous packing expense includes warehouse supplies, freight, express, cartage, salaries of association supervisors, graders and inspectors, traveling expense, sampling and resampling, inspection charges, and repacking and cleaning charges.

Indirect operating expense includes insurance upon tobacco in warehouses and in sheds, interest on loans, and taxes.

Interest on advances paid members is the net amount charged members direct for interest on first advances paid them.

Payments to warehouses for assorting and packing tobacco include the amounts paid all warehouses as per contract for assorting and packing, and also sums paid broadleaf growers for assorting tobacco.

All claims for hail damage to the 1924 crop have now been paid. Checks distributed for this purpose footed up to \$1,144,000.

TOBACCO POOL PAYS INTEREST TO MEMBERS

Interest amounting to \$9,000 on its certificates of indebtedness was paid November 1 to its members by the Northern Wisconsin Cooperative Tobacco Pool, Madison, Wis. Those certificates represent a deduction of one-half cent per pound on 1923 tobacco delivered to the pool, and bear 6% interest. The funds are used by the association for working capital.

Concerning marketing the Tobacco Pool Bulletin, the official organ of the association, states "Tobacco marketing tactics in Wisconsin are changing. The practice of field buying seems to be a thing of the past. Tobacco grown by non-poolers has reached the sheds without being bargained for by persons desiring to do a little speculating..... With field buying out of the way Wisconsin tobacco is bound to sell more or less upon its merits. When tobacco sells chiefly upon its merits, then a more stable condition is bound to exist in our tobacco markets. The tobacco pool without question was the chief agency which enabled Wisconsin to rid itself of the practice of field buying...."

Samples are being drawn from the 1923 packed goods and placed in the sample showroom maintained by the pool.

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QUICK SETTLEMENT MADE BY TOBACCO ASSOCIATION

It is reported that a new record for quick settlement was made by the Tobacco Growers' Cooperative Association, Raleigh, N. C., last month when it made complete and final settlement for the Virginia sun-cured tobacco of the 1923 crop before the opening of the 1924 markets. Growers of sun-cured tobacco were the first tobacco farmers in the Southeast to organize successfully for marketing their crop. It is stated that they formed a pool when tobacco was selling at \$6.75 per cwt. and after the formation of the pool the same tobacco brought \$11 per cwt.

The Virginia-Carolina tobacco crop is estimated to be 150,000,000 pounds less than last year, and in consequence the association is planning to save many thousands of dollars by early closing of many cooperative warehouses. However, arrangements will be made for delivery of crops with as little inconvenience as possible.

November 15 is the date set for the distribution of \$1,250,000 on last year's crop in the Virginia dark-fired district. This will bring the receipts to 80% of the bankers' valuation of dark-fired 1923 tobacco before delivery of the 1924 crop begins on November 18.

Many new members are coming into the association, 940 contracts having been received in the last three months. No late signers are to be received in the association next year, as the directors have decided to close the books for 1925 deliveries long before the markets open. It will be a case of "Join early or stay out." July 15 is to be the date for closing the books for South Carolina and Eastern North Carolina next season.

TOBACCO ASSOCIATION CONDUCTS COMMUNITY WORK

Under date of October 1, 1924, the Department of Community Organization of the Burley Tobacco Growers Cooperative Association, Lexington, Ky., issued a report covering the 18 months beginning with April 1, 1923, when the community work was started as a social service feature. The accepted aim and function of the new department was "the organization of members and their families into community groups for (1) serving as a medium through which members could be more closely in touch with their association; (2) promoting an interest in the principles and methods of cooperative marketings; (3) fostering a spirit of neighborliness and good will as an asset to the association and community life; (4) promoting cooperative enterprises for the enrichment and improvement of rural life."

During the 18 months that the department has been functioning the people of 37 communities in 9 counties have formed local organizations for the purpose of improving their social and educational opportunities. The people in two counties have worked out county-wide projects for mutual benefit. The state departments of health and education and the state experiment station have cooperated with the local organizations in conducting follow-up work.

In the same period the Department of Community Organization issued four Bulletins of suggestions for organization work, a community book for use in local associations, a book of "Burley" songs, and supplied locals with material for use in working up community programs. Thirty-seven local associations with total attendance of 2,300 carried out programs dealing with cooperative marketing; 17 locals discussed quality production of tobacco; and 18 locals other agricultural subjects, including diversified farming, pure-bred stock, poultry, etc. Eight locals discussed health problems and two, rural beautification. In four communities attention was given to community plays. Three county picnics were held in the summer of 1923. At one of these an elaborate pageant was given portraying the history of tobacco. In July of 1924 a picnic and "pageant of agriculture" was given by the people of Fayette county. This event was attended by 15,000 people. Harrison county followed its picnic of 1923 with "a county-wide survey of social conditions, covering health, education, recreation and rural life. Over 300 local people aided in the survey. The Fayette county picnic and pageant is being followed by a series of "county get-togethers."

Exhibits showing rural conditions "before and after" the advent of cooperation have been made at state and other fairs.

In summing up the community work which has been conducted at an expense of less than \$13,000, Miss Verna Elsinger, director of community organization, says, "This year and a half has been one of breaking ground and establishing a foothold. Viewed as an experiment, it has demonstrated that the program is both practical and feasible."

DELIVERIES OF PEANUTS LARGER THAN THOSE OF LAST YEAR

Peanuts are coming in rapidly to the warehouses of the Georgia Peanut Growers' Cooperative Association, Albany, Ga., and deliveries are far in excess of those on the same dates last year. Sixty-five dollars a ton is still being advanced and drafts for this first advance are being presented to the association at the rate of about \$38,000 a day. New members are coming into the association on their own initiative, including many large growers. One new member has delivered 100 tons. A good impression was created when the association maintained its advances of \$65 a ton during the recent slump in the market, and when it became apparent to outside buyers that the large quantities of peanuts held by the association would not be sold at once but would be marketed throughout the year.

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MINNESOTA HIGH-SCORE BUTTER FOR FOREIGN SHIPMENT

A shipment of 168 boxes of high-score, "Land O'Lakes" butter was made recently to London by the Minnesota Cooperative Creameries Association, St. Paul, Minn., and another shipment of 161 boxes will be made soon. This butter was packed in New Zealand type, export boxes, well paraffined, lined and double strapped. On each end of each box was a label indicating the high quality of the butter.

During September the association sold 3,766,471 pounds of butter, for which the gross receipts were \$1,450,000. Of this butter 39% scored 93 or above, and 19% scored 92, making 58% of extras or above.

Three hundred twenty-seven cars of butter were shipped that month, 180 cars going to New York, 30 to Philadelphia, 20 to Chicago, and 97 to other markets. Gross weight of the butter shipped was 8,100,135 pounds. Total saving on freight through car load shipping was \$27,870.

A deduction of one-half cent per pound is made for a revolving fund and certificates of indebtedness are issued to members to cover these deductions. These certificates bear interest at the rate of 6%. Returns for butter delivered by the local creameries to the association for sale, are made by the twentieth of each month for the preceding month. The accounting department reports that for the month of August not one clerical error was reported back from the creameries.

SURVEY OF AGRICULTURAL COOPERATION IN BRITISH EMPIRE

A Survey of Agricultural Cooperation in the British Empire, the first of its kind, was made recently by the Horace Plunkett Foundation and the results published in a bulletin of 123 pages. As only a comparatively short time was available for the work it was found impracticable to secure information direct from the thousands of cooperative societies. Reports and other material furnished by the agricultural departments of the various governments of the Empire was used although "the diversity of the movement, viewed through these official telescopes, and the diversity of the instruments themselves, may be noted, the latter varying in field and focus between the breadth and precision of the annual reports of the Government of India, and general darkness." The editor further states, "Being to a considerable extent, dependent upon governmental sources of information, the present survey may seem to give undue prominence to the development of the movement in those countries where the state is taking a direct part in its promotion and control." Figures quoted are mostly for 1922.

The movement in England may be said to have begun in 1900 and since 1901 the Agricultural Organization Society has been responsible for general propaganda and organization and has handled all grants to encourage the work among farmers. In the future the Ministry of Agriculture and Fisheries proposes to direct this work and to take a more active part in agricultural organization in England and Wales. In 1922 England had 1,079 societies with 176,715 members, and the turnover for the year was £11,552,171. There were 834 societies for "small holdings and allotments," and 101 for purchasing requirements. The development of cooperative bacon factories received considerable attention in 1922 from the Agricultural Organization Society. As persistent demands on the part of the farmers for cooperative bacon factories made apparent the imminent danger of factories being established indiscriminately all over the country, many of which would have been sure to meet disaster, a comprehensive plan was worked out "embracing a network of societies all over the country, none of which could, by any conceivable means, act detrimentally to others, and so situated that an adequate pig population within an economic railing distance was available to each." As a result of this plan three societies were operating over seven counties in June, 1922, and it was expected that by December, 1923, six societies would be serving fifteen counties, and in another year ten societies would be serving twenty-four counties. About 4,000 farmers were interested in 1922 and the capital involved was £120,000.

Agricultural Cooperation is said to have a better grip on North England than any other part of the country.

Ireland in 1922 had 1,015 societies affiliated with the Irish Agricultural Organization Society, of which the dairy societies numbered 309; agricultural, 393; credit and agricultural banks, 112; etc. The cooperatives had 40,060 members and a turnover of £5,661,518; the agricultural societies had 66,831 members and a turnover of £2,041,200; and the banks, 8,564 members and a turnover of £36,543. Returns were

incomplete on account of unsettled conditions in the country. A special organization, the Ulster Agricultural Organisation Society, was formed as of August 31, 1922, to take over the work of the six northern counties. Reports from these counties, however, are included in the figures given above. Poultry and flax societies are also in operation.

Cooperative interests in Scotland are served by the Scottish Agricultural Organisation Society, founded in 1905. It is similar in scope and purpose to the English and Irish societies and is the chief agency for the promotion of the movement. Dairy, poultry, purchasing, and stock improvement societies are among the most important. About ninety societies are listed in the report, with memberships ranging from 8 to 2,013.

Considerable attention has been given to cooperative problems in Canada and laws have been enacted on the subject by the Dominion Government and by the Provincial Governments. As wheat is the important cash crop in the three western provinces more attention has been given to wheat marketing than to any other commodity. One of the largest companies is the Saskatchewan Cooperative Elevator Company which handles annually with little variation about one-fifth of the product of 12,000,000 acres of grain. Since organization this company has handled 335,000,000 bushels through country elevators. There were 24,575 stockholders in 1923 and the company had a paid-up capital of \$1,959,656. Another company known as the Saskatchewan Cooperative Wheat Producers, Limited, has been organized for the purpose of handling wheat on the pooling plan and it is expected that large quantities of wheat will be handled in 1924.

The first large undertaking in the Province of Alberta was the Alberta Farmers' Cooperative Elevator Company in 1906. This enterprise was aided by the government of the province which advanced in all more than one million dollars to the company. In 1917 the business was taken over by the United Grain Growers, Ltd.

Interest in cooperative livestock marketing is increasing in various parts of Canada. The Winnipeg cattle pool handled 64,195 head of cattle in eleven months of 1923, and 307 cars of cattle from this pool were shipped to British markets. Large shipments of stock have also been made in other provinces with good results.

Cooperative dairying is making progress in several provinces. More than 20 million pounds of butter has been made and sold by the Saskatchewan Cooperative Creameries in six years. The company has 28 branches in various parts of the province. Alberta dairy producers, with the aid of the Department of Agriculture, have made great advances and sold more than one million pounds of butter in 1922.

South Africa reports some 225 cooperative agricultural societies with a membership of 32,696. There are also 10 purchasing societies with a membership of 7,544, which have no direct connection with the agricultural associations.

(Some of the cooperative enterprises of Australia, New Zealand, and India have been described in previous issues of this circular.)

MARYLAND COURT SUSTAINS MARKETING AGREEMENT

The case of "The Maryland and Virginia Milk Producers' Association, Inc., vs. W. A. Simpson and S. I. Linton," recently decided by the Circuit Court of Frederick County, Maryland, is believed to be the first "cooperative case" decided by the court of that state. Although the court in question is a trial court, yet inasmuch as the case was heard and decided by three judges who concurred in a comprehensive written opinion holding in favor of the association, the case may be regarded as one of unusual interest.

Mr. Linton was a member of the association and had entered into a three-year contract requiring him to deliver his milk to the association for marketing. Mr. Linton failed and refused to deliver his milk to the association. Mr. Simpson is a milk distributor of Washington, D. C., and it was alleged by the association in its complaint that he was encouraging and aiding Mr. Linton in breaching his contract with the association.

Suit was brought by the association for the purpose of restraining Mr. Simpson from engaging in the conduct in question and for the purpose of restraining Mr. Linton from violating his contract and to require him to perform the same specifically. The association also sought liquidated damages from Mr. Linton due to the fact that he had failed to deliver his milk to it for marketing. The principal defenses to the suit were the following: "(1) That the contract was procured by fraud, (2) that it was beyond the scope of the plaintiff's corporate powers, (3) that it is without mutuality and consideration, (4) that it is a mere contract of agency and is subject to a right of revocation which has been exercised, (5) that it is inequitable, unreasonable and against public policy." All of these defenses were held to be without merit. The following quotations from the opinion in this case are of peculiar interest:

It is apparent from the terms of the contract that it was intended to establish a durable basis upon which the service of the association to its members could be efficiently rendered. In order that such an organization may accomplish the purpose for which it was formed it must be able to depend with reasonable certainty upon the fulfillment by its members of their mutual obligations. If the discharge of their reciprocal duties were simply optional and discretionary, an association like the plaintiff would be in constant danger of disintegration and failure. Binding contracts with its members are clearly essential to its existence and success.

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The rules and regulations of the association, to which the agreement refers, do not represent the arbitrary will of a contracting corporation over which the producer has no con-

trol, but express the mutual judgment of a cooperative membership of which he forms a part and in whose decisions he has an equal voice. It is plainly necessary that there should be reasonable regulations for the purpose of maintaining a proper standard of quality and an orderly system of delivery, and there is no proof that the association has adopted any rules to that end which are in fact unreasonable.

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It is said that the agreement between the association and its members is unfair because of the provisions forbidding a demand for an accounting except on the ground of fraud. This is not an unreasonable provision in view of the conditions under which the business is agreed to be conducted. The distributions to the members are required to be made monthly by the board of directors, who are authorized by the agreement to determine the amounts to be deducted from the current funds for the purposes to which it refers. If a member could exact an accounting as to any distribution for reasons not imputing bad faith to the board of directors, the resulting vexations and delay might seriously impair the association's usefulness. The honesty exercised by the directors of their best judgment, for the common benefit of the members by whom they are selected could not be made the subject of unrestricted controversy with due regard to efficient management.

The court issued an injunction against Mr. Linton and Mr. Simpson and directed Mr. Linton to perform specifically his contract with the association. Mr. Simpson was required to pay all the costs of the suit. The court reserved the question involving liquidated damages.

L. S. Hulbert.

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EQUITY EXCHANGE BUILDING UP SURPLUS

Total sales amounting to \$189,315 are shown in the annual report of the Haigler Cooperative Equity Exchange, Haigler, Nebr., for the year ending June 27, 1924. Net operating profits for the period were \$6,039, and the year closed with a surplus of \$15,870, and a net worth of \$46,812. The net profits were apportioned as follows: proration, \$1,245; surplus, \$1,419; reserve for contingencies, \$425. Total expenses reached the sum of \$11,455. A few of the larger items making up this amount were as follows: salaries and labor, \$4,545; interest paid, \$1,377; bad accounts and notes, \$1,900; depreciation, \$1,205.

This association was organized in 1914 and operates an elevator, a creamery, and handles lumber and machinery. It has about 120 members.

WISCONSIN IS THE HOME OF THE COOPERATIVE CHEESE FACTORY

Four hundred thirteen associations of farmers engaged in the manufacture and marketing of cheese have reported to the United States Department of Agriculture. Membership in these associations is in excess of 16,400, and sales in 1923 were approximately \$16,700,000. Nearly 70% of the entire number of these associations are in Wisconsin, about 8% in New York, an equal per cent in Oregon, 5% in Minnesota, and over 2% in Michigan.

One of the New York associations is 61 years old, having been founded in 1863. Fifty-seven have been operating 20 years or more, and 163 have been operating 10 years or more. Over 40% of the associations active to-day were formed during the four years 1917-1920.

The average membership of the 396 associations reporting number of members is 40, and 89% of all the associations have not more than 50 members each.

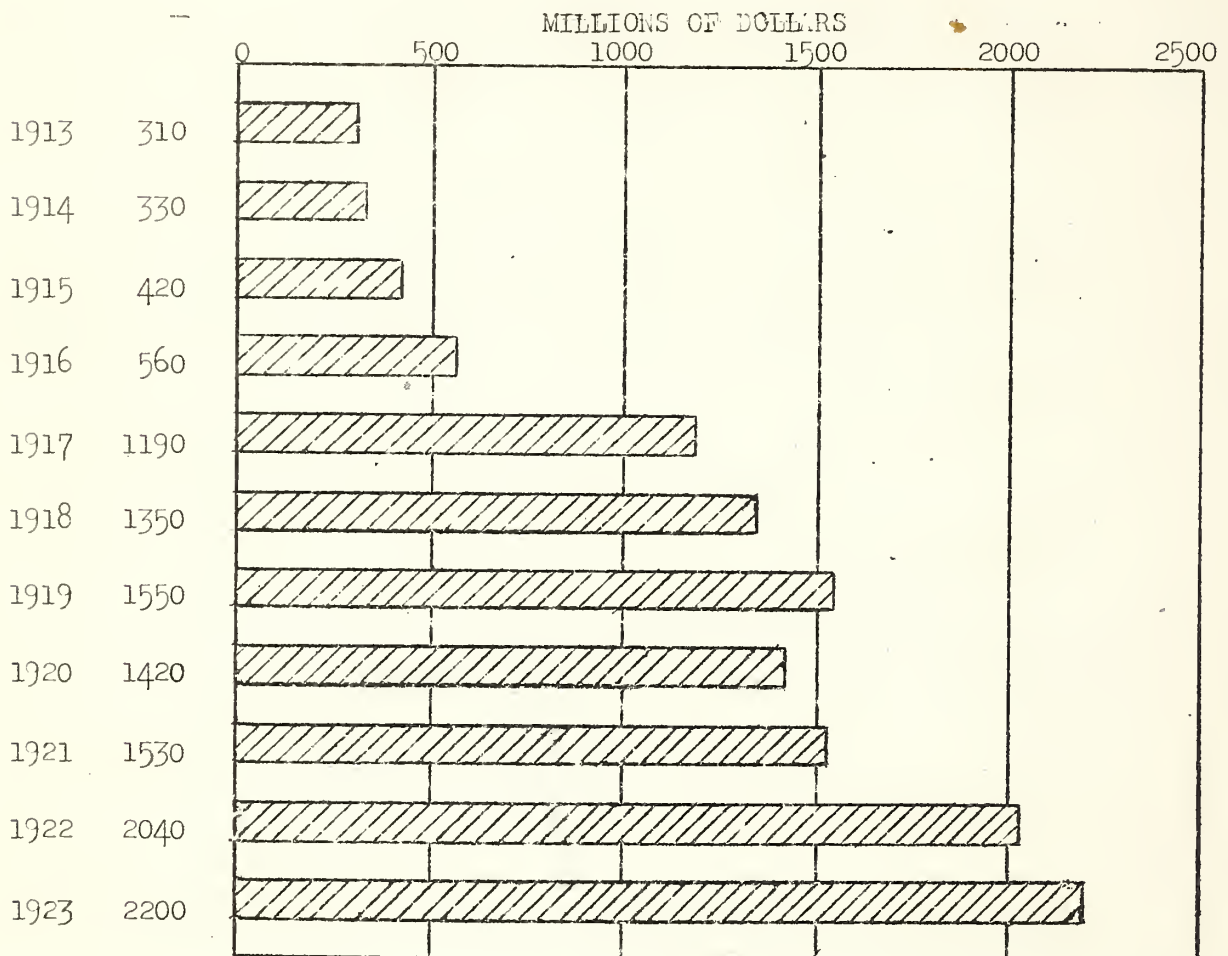
Average amount of business transacted per association has increased from \$14,600 in 1913 to \$49,600 in 1923. The high average for 1923 is due largely to a few big organizations, as 65% of the 324 associations which reported regarding 1923 business stated it was \$40,000 or less.

The increase in business seems to indicate that the cooperative cheese-marketing association is evolving, as is the case with many of the other cooperative enterprises, from a small local unit serving the producers of a limited area, into a business enterprise of sufficient size to obtain at least some of the economies that come with large-scale operation. It is quite probably that the continued building of hard-surfaced roads in the rural sections will accelerate this evolutionary process.

Figures regarding both membership and business are available for 323 associations. The average amount of business per member for the United States is \$1,175, while the averages per member for a few of the leading cheese-producing states are as follows: Oregon, \$2,880; Minnesota, \$1,358; Wisconsin, \$1,088; New York, \$870; and Michigan \$485.

Approximately 84% of the cheese marketing associations are incorporated. These have 90% of the total membership and are handling 87% of the total business. Over 80 % of the associations are organized with capital stock; 60% are composed only of producers of the commodities marketed; 46.2% of the associations pay dividends on capital stock; 52.2% pay patronage dividends; and 87.3% handle the products of nonmembers.

Additional statistical information regarding the 413 associations has been compiled and issued in a mimeographed circular entitled "Co-operative Cheese Factories in the United States, 1924." Copies of this circular may be had upon request to the Division of Agricultural Cooperation, U. S. Department of Agriculture, Washington, D. C.

ESTIMATED AMOUNT OF BUSINESS BY FARMERS' ASSOCIATIONS.

Gradually the Department of Agriculture is accumulating the data to tell the story of the beginnings and development of agricultural co-operation in America. As the collection of material regarding past and present activities of farmers' business organizations progresses, the statistical presentations regarding number of associations, number of members, amount of business transacted, and other facts of vital interest, become more accurate.

The above chart is given as a tentative presentation of the amount of business handled by the functioning associations as measured in dollars. The amounts credited to several of the years are pure estimates, reliable figures not being available. Eventually these estimates will be replaced by figures that will be approximately correct.

As the price level of farm products varied during the eleven years from 95 to 209, as expressed in index numbers, the bars do not indicate the quantities of products handled.